

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: KARL KLEIN
DEPUTY ATTORNEY GENERAL

DATE: MAY 21, 2013

SUBJECT: TNCI OPERATING COMPANY'S CPCN APPLICATION
CASE NO. TOC-T-13-01

On April 30, 2013, TNCI Operating Company LLC (the "Company") applied to the Commission for a Certificate of Public Convenience and Necessity ("CPCN") authorizing the Company to provide resold and facilities-based local exchange and exchange access telecommunications services in Idaho. On May 7, 2013, the Company amended the Application by filing revised price lists. This memorandum refers to the Application, as amended by the revised price lists, as the "Application."

The Company says it is a Delaware limited liability company that is authorized to do business in Idaho. Its principal place of business is in Santa Barbara, California. The Company is wholly owned by TNCI Holdings LLC, which also is its manager. Application at 3-4.

The Company says it does not yet provide telecommunications services, but that it is authorized to provide them in Montana and obtaining authority to provide them in all of the contiguous United States, Hawaii, and the District of Columbia. *Id.* at 1-2. Further, the Company says it is buying the bankruptcy assets of Trans National Communications International, Inc. ("Trans National"), a company that the Commission has authorized to provide local exchange service (including exchange access) in Idaho. *Id.* at 1, *citing* Commission Order No. 29637. These assets include customer accounts and contracts, telecommunications equipment, and where allowed by law, the licenses needed to provide telecommunications services. *Id.* at 7. The Company says it will notify the Commission when the sale is completed. *Id.* at 2.

The Company does not plan to build new facilities. Rather, it is buying Trans National's assets and operations and will operate that business as configured. *Id.* at 2. The Company intends to provide the same facilities-based and resold local exchange, exchange access telecommunications services to business customers that Trans Nation provides. *Id.* at 2. The Company says that granting the Application will promote the public interest by permitting Trans National's existing customers to be assigned to a financially stable company that will continue to provide service without interruption. *Id.* at 7.

The Company intends to provide services including: (1) basic local exchange services and ancillary services like custom calling features, (2) dedicated Internet Protocol-enabled, integrated voice and data services, and (3) private line, frame relay and other non-voice services. The Company's network will primarily consist of facilities leased from other carriers, although it may deploy its own facilities. *Id.* at 2. The Company seeks to provide services to and from all points Idaho that are currently open, and that become open, to competition. *Id.* at 4. The Company will compete with CenturyLink and Verizon for the provision of local exchange services. *Id.*

The Company says it has not yet entered into or requested interconnection/resale agreements in Idaho. But where necessary, the Company has made arrangements with underlying carriers to assume the existing interconnection/resale agreements of Trans National as part of the bankruptcy process. *Id.* at 6. The Company plans to use the existing local exchange boundaries and established local calling scope of the incumbent local exchange carriers in Idaho. *Id.*

The Company says it is financially, managerially, and technically qualified to establish and operate its proposed telecommunications operations in Idaho. The Company provides pro forma financial information to support its Application. The Company also notes that its managers have significant experience in the telecommunications industry, and that it will share many of Trans National's customer service, technical, operational, and managerial personnel. *Id.* at 2-3. The Company represents that its operations will meet high standards for service quality and reliability, and will emphasize customer service. *Id.* at 3 and 7.

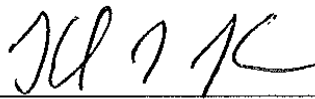
The Company says it will comply with Idaho law and the Commission's rules. *Id.* at 6. The Company says it will start providing service consistent with the Commission's approval of the Application. *Id.* at 4.

STAFF RECOMMENDATION

Staff recommends that the Commission process the Company's Application under Modified Procedure with a 21-day comment period.

COMMISSION DECISION

Does the Commission wish to process the Company's Application under Modified Procedure with a 21-day comment period?

A handwritten signature in black ink, appearing to read 'JK' followed by a stylized flourish.

Karl Klein
Deputy Attorney General

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